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Message Text

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DRAFTED BY IO/UN/BAPS:WMSOUTHWORTH
APPROVED BY IO - DR. MOREY
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FM SECSTATE WASHDC
TO USMISSION GENEVA IMMEDIATE
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E.O.11652: N/A
TAGS: AORG, UN, PER
SUBJECT: US OPPOSES UN PAY INCREASE
REF: GENEVA 7192

1. WHILE WE SEE NO POINT IN ENGAGING IN DEBATE WITH STAFF ASSOCIATIONS ON THE PROPOSED SALARY INCREASE, WE BELIEVE IT DESIRABLE TO TAKE ADVANTAGE OF ANY OPPORTUNITY TO CALL ATTENTION TO STAFF MISSTATEMENTS. ACCORDINGLY THE FOLLOWING COMMENT RE FICSA FLASH NO. 3 IS PROVIDED FOR APPROPRIATE USE.

2. FLASH 3. "IT IS NOT 'AN ESTABLISHED PRINCIPLE' THAT UN SALARIES SHOULD NOT EXCEED BY MORE THAN 15 PERCENT THE HIGHEST PAYING NATIONAL CIVIL SERVICE. THIS IDEA WAS PUT FORWARD BY SOME MEMBERS OF THE SO-CALLED SPECIAL COMMITTEE TO REVIEW UN SALARIES. THE REPORT OF THE SPECIAL COMMITTEE HAS NOT BEEN ENDORSED BY THE GENERAL ASSEMBLY OR ANY OTHER
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BODY."

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COMMENT: CONTRARY TO THE ABOVE MISSTATEMENT THE 115 PERCENT RATIO WAS ENDORSED BY THE VERY BODY (ICSAB) WHOSE RECOMMENDATION FOR A SALARY INCREASE IS BEING PUBLICIZED AND EXPLOITED BY THE STAFF ASSOCIATIONS AND OTHERS.

DETAILS: THE INTERNATIONAL CIVIL SERVICE ADVISORY BOARD'S "SUMMARY OF THE UN COMMON SYSTEM OF SALARIES, ALLOWANCES

AND OTHER CONDITIONS OF SERVICE" (ICSAB/INF.3), POINTS OUT THAT ONE OF THE GENERAL GUIDELINES, WHICH HAS BEEN FOLLOWED SINCE THE LEAGUE OF NATIONS EVOLVED IT IN 1921, PROVIDES THAT THE SALARY RATES OF THE HIGHEST PAID NATIONAL CIVIL SERVICES SHOULD BE A MAJOR FACTOR IN DETERMINING CERTAIN INTERNATIONAL ORGANIZATION SALARIES, WITH THE FACTOR OF EXPATRIATION ALSO BEING TAKEN INTO ACCOUNT. THE MAJORITY VIEW OF THE SPECIAL COMMITTEE WAS THAT THE UN/US RATIO SHOULD NOT EXCEED 115 PERCENT, TAKING INTO ACCOUNT THE EXPATRIATION FACTOR. THIS PRINCIPLE WAS CONCURRED IN BY THE INTERNATIONAL CIVIL SERVICE ADVISORY BOARD, WHICH STATED "THE BOARD TAKES FIRST THE ULTIMATE ASSUMPTION OF THE SPECIAL COMMITTEE, WHICH APPEARS TO REST UPON THE CONVICTION THAT TOTAL EMOLUMENTS OF PROFESSIONAL STAFF WILL BE REASONABLE IF THEY DO NOT EXCEED THE US SALARIES BY A MARGIN OF MORE THAN 15 PERCENT. IN THE ABSTRACT, THE BOARD FINDS THIS ASSUMPTION FAIR. IN NEW YORK, A RATIO OF 115 TO THE HIGHEST NATIONAL CIVIL SERVICE SALARY CAN BE CONSIDERED ADEQUATE. THE BOARD WOULD NOT, HOWEVER, WANT TO EXCLUDE THE POSSIBILITY IN EXCEPTIONALL CIRCUMSTANCES, AND TEMPORARILY, OF SOME SMALL MOVEMENT BEYOND THE 115 FIGURE, PROVIDED THAT THE NORM OF 115 IS NOT TAKEN TO BE AFFECTED, AND PROVIDED ONE SUCH MOVEMENT WOULD NOT BE TREATED AS JUSTIFYING A HIGHER RATIO IN OTHER GRADES; (OFFICIAL RECORDS: 27TH SESSION, SUPPLEMENT 28A (A/8728/ADD.1, PARA 27.)

3. FLASH 3: "THE GRADE, LEVELS AND LOCATION (NEW YORK) USED FOR COMPARISON ARE NOT ACCEPTED BY THE STAFF, OR BY THE ADMINISTRATIONS, OF THE UN SYSTEM."

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COMMENT: THE GRADES AND LEVELS USED FOR COMPARISON ARE THOSE TRADITIONALLY USED BY THE UN FOR COMPARATIVE PURPOSES.

DETAIL: THESE GRADE AND LEVEL COMPARISONS HAVE BEEN IN USE AT LEAST SINCE 1956. WHILE THE LEVELS OF COMPARISON HAVE BEEN QUESTIONED ON OCCASION, NO ALTERNATIVES TO THESE TRADITIONAL MATCHING POINTS HAVE RECEIVED ANY SUBSTANTIAL

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SUPPORT. THERE IS, HOWEVER, NO OBJECTION TO A PROFESSIONAL RE-EXAMINATION OF THIS SUBJECT. NEW YORK HAS BEEN ACCEPTED AS THE BASE BY THE GENERAL ASSEMBLY.

4. FLASH 3: "WHY SHOULD IT BE ASSUMED THAT US CIVIL SERVICE SALARIES ARE THE HIGHEST NATIONAL CIVIL SERVICE SALARIES? ...OTHER NATIONAL CIVIL SERVICES (E.G., IN

EUROPE AND LATIN AMERICA) MAY BE HIGHER."

COMMENT: ON THIS SUBJECT, THE ACABQ IN ITS REPORT TO THE 29TH UNGA (A/9919, PARA 10) ON THE UNITED NATIONS SALARY SYSTEM SAYS "IT WAS SUGGESTED TO THE COMMITTEE THAT THE US FEDERAL CIVIL SERVICE MIGHT NO LONGER BE THE HIGHEST-PAID NATIONAL CIVIL SERVICE. BUT WHEN THE COMMITTEE SOUGHT TO OBTAIN CORROBORATIVE DATA NO CONCLUSIVE EVIDENCE WAS PRODUCED."

DETAIL: NO NATIONAL CIVIL SERVICE PAY SYSTEM IS KNOWN TO BE HIGHER THAN THAT OF THE UNITED STATES. NEVERTHELESS, THE US WOULD GLADLY SUPPORT THE USE OF ANY OTHER NATIONAL CIVIL SERVICE SYSTEM AS THE BASE, PROVIDED THE TOTAL REMUNERATION AND BENEFITS SYSTEM IS USED. WE CANNOT SUPPORT THE TENDENCY TO PICK THE PLUMS OUT OF A RANGE OF DIFFERENT SYSTEMS.

5. FLASH 3: "US CIVIL SERVICE SALARIES HAVE BEEN FROZEN FOR YEARS."

COMMENT: THIS IS SIMPLY NOT TRUE. ONLY THE MAXIMUM SALARY IN THE CLASSIFIED GRADES HAS REMAINED CONSTANT IN RECENT YEARS AT 36,000 DOLLARS (GROSS).

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6. FLASH 3: "IF THE MEMBER STATES REALLY WANT A STAFF OF THE HIGHEST QUALITY AND INTEGRITY IN THE INTERNATIONAL ORGANIZATIONS, THEY SHOULD BE PREPARED TO PAY FOR IT."

COMMENT: NO DATA HAVE BEEN PRODUCED TO INDICATE THAT THE UN HAS A PROBLEM IN RECRUITING OR RETAINING PERSONNEL BECAUSE OF INADEQUATE SALARIES.

7. FLASH 3: "IF THE 1971 BASIC RATES WERE SET AT AN UNJUSTIFIABLE HIGH LEVEL THIS MEANS THAT THE OVERWHELMING MAJORITY OF MEMBER STATES WERE WRONG WHEN THEY APPROVED THEM IN THE GENERAL ASSEMBLY IN 1970."

COMMENT: MEMBER STATES WILL HAVE TO DECIDE FOR THEMSELVES WHETHER THE BASIC RATES EFFECTIVE IN 1971 WERE SET AT AN

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UNJUSTIFIABLY HIGH RATE WHEN THEY EXCEEDED US RATES UP TO 26 PERCENT. THE US VOTED AGAINST THE 1971 INCREASE AND FINDS NO SUBSEQUENT JUSTIFICATION FOR CONTINUED OR INCREASED OVER-COMPENSATION.

8. FLASH 3: "THE POST ADJUSTMENT SYSTEM DOES NOT KEEP PACE WITH INFLATION. ON THE CONTRARY THE STAFF LOSES EVERY TIME THE POST ADJUSTMENT INDEX CHANGES,AND THAT OCCURS ONLY FOUR MONTHS AFTER THE COST OF LIVING INDEX HAS CHANGED. THE PRESENT POST ADJUSTMENT SYSTEM IS NOT

ADEQUATE TO DEAL WITH RUNAWAY INFLATION AND RAPID CURRENCY FLUCTUATIONS."

COMMENT: ACABQ IN ITS RECENT REPORT (CF PARA 4 ABOVE) STATES, "THE PROTECTION AGAINST THE EFFECTS OF RISING PRICES AFFORDED TO UN STAFF BY THE POST ADJUSTMENT SYSTEM IS ALREADY BETTER THAN THAT APPLIED TO THE EMOLUMENTS OF THE MAJORITY OF CIVIL SERVANTS AT THE NATIONAL LEVEL."

DETAIL: IT IS DIFFICULT TO UNDERSTAND THE ASSERTION THAT THE STAFF LOSES EVERY TIME THE POST ADJUSTMENT INDEX CHANGES, SINCE AN INCREASE IN THE POST ADJUSTMENT INDEX RESULTS IN AN INCREASE IN POST ADJUSTMENT PAYMENTS. THE PRESENT POST ADJUSTMENT SYSTEM REFLECTS COST OF LIVING INCREASES AND PROVIDES PROTECTION AGAINST INFLATION AND UNCLASSIFIED

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CURRENCY FLUCTUATION AS THESE AFFECT THE COST OF LIVING.

9. FLASH 3: "ON THE ONE HAND, THE AIDE-MEMOIRE ASSERTS THAT SALARIES WERE BASED ON THE HIGHEST PAYING NATIONAL CIVIL SERVICE; ON THE OTHER HAND, IT COMPARES UN SALARIES WITH THOSE IN HEADQUARTERS CITIES OTHER THAN NEW YORK. IS IT TOO MUCH TO EXPECT CONSISTENCY IN THE ARGUMENTS USED EVEN ON THIS KIND OF PAPER?"

COMMENT: REFERENCE TO A RISE IN REAL INCOME IN SALARIES IN SEVEN HEADQUARTERS CITIES WAS USED BY THE STAFF ASSOCIATIONS AS AN ARGUMENT FOR A UN SALARY INCREASE. IN ADDRESSING THIS POINT THE AIDE-MEMOIRE POINTS OUT THAT SALARIES IN THE HEADQUARTERS CITIES OTHER THAN NEW YORK ARE PRESENTLY HALF OR LESS OF THE PAY RATES OF THE UNITED NATIONS. LINKAGE TO THE LEVEL OF THE SEVEN HEADQUARTERS WOULD RESULT IN SUBSTANTIALLY DECREASED UN SALARIES.

10. FLASH 3: IF UN SALARIES ARE "TOO HIGH BY ANY REASONABLE STANDARD" WHY DOES THE US PAY ITS NATIONALS IN THE UN SYSTEM EXTRA REMUNERATION FOR THE DURATION OF THEIR UN SERVICE IN VIOLATIO OF THE CHARTER?"

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COMMENT: THIS AGAIN MISREPRESENTS THE SITUATION.

DETAIL: IN POINT OF FACT, THE US MERELY ASSURES GOVERN-
MENT EMPLOYEES WHO ARE SECONDED TO AN INTERNATIONAL
ORGANIZATION

THEIR RETURN TO US GOVERNMENT SERVICE ANY DIFFERENCE
BETWEEN WHAT THEY WERE PAID AND WHAT THEY WOULD HAVE
RECEIVED HAD THEY BEEN WORKING FOR THE US GOVERNMENT AT A
HIGHER GROSS REMUNERATION WOULD BE MADE UP. ANY SUCH

REIMBURSEMENT IS TAXABLE. THIS IS CONSONANT WITH THE UN
CHARTER.

11. FLASH 3: "THE STAFF IS NOT RESPONSIBLE FOR THE UN'S
SERIOUS FINANCIAL SITUATION."

COMMENT: THIS IS TRUE ONLY UP TO A POINT. EXCESSIVE
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SALARIES NOW PAID TO UN PERSONNEL EXACERBATE THE UN'S
FINANCIAL SITUATION. A FURTHER INCREASE WOULD MAKE THE
SITUATION WORSE. INGERSOLL

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